

Introduction

ConnectLA, consistent with Louisiana’s Initial Proposal Volume 2, provides the attached sample letter of credit for use by provisionally selected subgrantees that intend to provide a letter of credit to meet the obligation described in section IV.D.2.a.ii of NTIA’s Notice of Funding Opportunity (NOFO), as modified by NTIA’s BEAD Letter of Credit Waiver released on October 23, 2023. Content highlighted and in brackets should be provided by the financial institution at the time of issuance.

Resources:

[Louisiana IPv2](#)

[NTIA BEAD Letter of Credit Waiver](#)

[BEAD NOFO](#)

[FCC RDOF](#), see Appendix C for sample FCC letter of credit

Draft Letter of Credit

[Issuing Bank Letterhead]

Irrevocable Standby Letter of Credit No. ____

[Issuing Bank Name]

[Address of Issuing Bank]

Date of Issuance: _____

Amount: _____

Expiration Date: _____

BENEFICIARY

Louisiana Division of Administration
Attn: Louisiana Office of Broadband Development and Connectivity
1201 N. 3rd Street
Suite 6-180
Baton Rouge, LA 70802-5243

[Formal Name of Applicant]

[Applicant Address]

Ladies and Gentlemen:

We hereby establish, at the request and for the account of [Formal Name of Applicant], in your favor, as required under the Broadband Equity, Access, and Deployment (BEAD) Program’s Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce (DOC) on May 13, 2022, and the State of Louisiana’s Initial Proposal Volume 2 approved by NTIA, our Irrevocable Standby Letter of Credit No. ____ in the amount of [State amount of Letter of Credit in words and figures], expiring at the close of banking business at our office described in the following paragraph, on [the date which is ____ years from the date of issuance or such earlier date as the Letter of Credit is terminated by the Louisiana Office of Broadband Development and Connectivity (the “Expiration Date”).]

Funds under this Letter of Credit are available to you against your draft in the form attached hereto as Annex A, drawn on our office described below, and referring thereon to the number of this Letter of Credit, accompanied by your written and completed certificate signed by you substantially in the form of Annex B attached hereto. Such draft and certificates shall be dated the date of presentation or an earlier date, which presentation shall be made at our office located

at **[Issuing Bank Address]** and shall be affected either by personal delivery or delivery by a nationally recognized overnight delivery service. We hereby commit and agree to accept such presentation at such office, and if such presentation of documents appears on its face to comply with the terms and conditions of this Letter of Credit, on or prior to the Expiration Date, we will honor the same not later than one (1) banking day after presentation thereof in accordance with your payment instructions. Payment under this Letter of Credit shall be made by **[check/wire transfer of funds]** to the payee and for the account you designate, in accordance with the instructions set forth in a draft presented in connection with a draw under this Letter of Credit.

Partial drawings are not permitted under this Letter of Credit. This Letter of Credit is not transferable or assignable in whole or in part.

This Letter of Credit shall be canceled and terminated upon receipt by us of the Louisiana Division of Administration's certificate purportedly signed by two (2) authorized representatives of the Louisiana Office of Broadband Development and Connectivity in the form attached as Annex C.

This Letter of Credit sets forth in full the undertaking of the Issuer, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except only the certificates and the drafts referred to herein and the ISP (as defined below); and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates and such drafts and the ISP.

This Letter of Credit shall be subject to, governed by, and construed in accordance with, the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP"), which is incorporated into the text of this Letter of Credit by this reference, and, to the extent not inconsistent therewith, the laws of the State of Louisiana. Communications with respect to this Letter of Credit shall be addressed to us at our address set forth below, specifically referring to the number of this Letter of Credit.

Signature

Name of Signatory

Title of Signatory

ANNEX A Form of Draft

To: [Name of Issuing Bank]

DRAWN ON LETTER OF CREDIT No: _____

AT SIGHT

PAY TO THE ORDER OF LOUISIANA DIVISION OF ADMINISTRATION BY [CHECK/WIRE
TRANSFER] FUNDS TO: _____

Account (_____)

As LOUISIANA GUMBO 2.0 PROGRAM REPAYMENT

[AMOUNT IN WORDS] DOLLARS AND NO/CENTS

\$(AMOUNT IN NUMBERS)

Louisiana Division of Administration
Office of Broadband Development and Connectivity

By: _____
Name: _____
Title: _____

ANNEX B Draw Certificate

The undersigned hereby certifies to [Name of Issuing Bank] (the “Bank”), with reference to (a) Irrevocable Standby Letter of Credit No. [Number] (the “Letter of Credit”) issued by the Bank in favor of the Louisiana Division of Administration and (b) Section IV.D.2.a.ii of the Broadband Equity, Access, and Deployment (BEAD) Program Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce (DOC) on May 13, 2022, and the State of Louisiana’s Initial Proposal Volume 2 approved by the NTIA (the BEAD Program Requirements), pursuant to which [Name of Selected Subgrantee] (the “Provider”) has provided the Letter of Credit (all capitalized terms used herein but not defined herein having the meaning stated in the BEAD Program Requirements), that:

[The Name of Selected Subgrantee] has [describe the event that triggers the draw] and is evidenced by a letter signed by the Director of the Louisiana Office of Broadband Development and Connectivity or his designee, dated _____, 20____, a true copy of which is attached hereto.] Accordingly, a draw of the entire amount of the Letter of Credit No. _____ is authorized.]

OR

The Louisiana Division of Administration certifies that given notice of non-renewal of Letter of Credit No. _____ and failure of the account party to obtain a satisfactory replacement thereof, pursuant to the BEAD Program Requirements, the Louisiana Division of Administration is entitled to receive payment of \$ _____ representing the entire amount of Letter of Credit No. _____.]

IN WITNESS WHEREOF, the undersigned has executed this certificate as of [specify time of day] on the ____ day of _____, 20____.

Louisiana Division of Administration
Office of Broadband Development and Connectivity

By: _____
Name: _____
Title: _____

ANNEX C Certificate Regarding Termination of Letter of Credit

The undersigned hereby certifies to [Name of Issuing Bank] (the “Bank”), with reference to (a) Irrevocable Standby Letter of Credit No. [Number] (the “Letter of Credit”) issued by the Bank in favor of the Louisiana Division of Administration, and (b) the requirements established in the Broadband Equity, Access, and Deployment (BEAD) Program Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce (DOC) on May 13, 2022, and the State of Louisiana’s Initial Proposal Volume 2 approved by the NTIA (the BEAD Program Requirements), (all capitalized terms used herein but not defined herein having the meaning stated or described in the BEAD Program Requirements), that:

- (1) [include one of the following clauses, as applicable]
 - (a) The BEAD Program Requirements have been fulfilled in accordance with the provisions thereof; or
 - (b) [Provider/Selected Subgrantee] has provided a replacement letter of credit satisfactory to the Office of Broadband Development and Connectivity.

- (2) By reason of the event or circumstance described in paragraph (1) of this certificate and effective upon the receipt by the Bank of this certificate (countersigned as set forth below), the Letter of Credit is terminated.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the ____ day of _____, 20__.

Louisiana Division of Administration
Office of Broadband Development and Connectivity

By: _____
Name:
Title: